

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 JUDY L. HARTLEY (CA BAR NO. 110628)  
Senior Corporations Counsel  
4 Department of Corporations  
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6  
7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

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11 In the Matter of the Accusation THE ) Case No.: 963-2511  
CALIFORNIA CORPORATIONS )  
12 COMMISSIONER, ) ACCUSATION  
13 )  
Complainant, )  
14 )  
15 vs. )  
16 TRAN'S ESCROW CORPORATION and NGA )  
TRAN, )  
17 )  
18 Respondents. )

19 The Complainant is informed and believes, and based upon such information and belief,  
20 alleges and charges Respondents as follows:

21 I

22 Respondent Tran's Escrow Corporation ("Tran's Escrow") is an escrow agent licensed by the  
23 California Corporations Commissioner ("Commissioner" or "Complainant") pursuant to the Escrow  
24 Law of the State of California (California Financial Code Section 17000 et seq.). Tran's Escrow has  
25 its principal place of business located at 90 Great Oaks Boulevard, Suite 210, San Jose, California  
26 95110.

27 Respondent Nga Tran ("Tran") is, and was at all times relevant herein, the president and sole  
28 shareholder of Tran's Escrow Corporation.

## II

On or about May 18, 2010, the Commissioner commenced a special examination of the books and records of Tran's Escrow to review a particular escrow transaction handled by Tran. During the special examination, the Commissioner discovered the following violations of the Escrow Law and the regulations promulgated thereunder:

1. On or about November 20, 2008, Tran closed escrow no. 00000011-001 without having received the cash deposit and other funds required from the buyer by the lender's escrow instructions, in violation of Financial Code section 17414(a)(1) and California Code of Regulations sections 1738 and 1738.2.

2. Tran was able to close escrow no. 00000011-001 without receipt of the required funds from the buyers by engaging in the following activities in violation of Financial Code section 17414(a)(2):

(a) On or about November 20, 2008, Tran prepared, or caused to be prepared, receipt no. 001022 which misrepresented that the buyer had deposited the sum of \$56,000.00 into escrow. The receipt was false in that the cashier's check deposited into this escrow in the amount of \$56,000.00 had actually been purchased by Tran's brother with trust funds deposited into Tran's brother's account that same day from the Tran's Escrow trust account.

(b) On or about November 20, 2008, Tran prepared, or caused to be prepared, a settlement statement which overstated the buyer's deposit by \$56,000.00 and failed to disclose that seller's proceeds were not paid to the seller, but to Tran's brother and two other persons.

## III

California Financial Code section 17608 provides in pertinent part:

The commissioner may, after notice and a reasonable opportunity to be heard, suspend or revoke any license if he finds that:

(b) The licensee has violated any provision of this division or any rule made by the commissioner under and within the authority of this division.

1 California Financial Code section 17423 provides in pertinent part:

2 (a) The commissioner may, after appropriate notice and opportunity  
3 for hearing, by order, . . . bar from any position of employment,  
4 management, or control any escrow agent, or any other person, if the  
commissioner finds either of the following:

5 (1) That the . . . bar is in the public interest and that the person has  
6 committed or caused a violation of this division or rule or order of  
7 the commissioner, which violation was either known or should have  
8 been known by the person committing or causing it or has caused material  
9 damage to the escrow agent or to the public.

10 VI

11 Complainant finds that, by reason of the foregoing, Respondents have violated California  
12 Financial Code section 17414 subsections (a)(1) and (a)(2) and California Code of Regulations, title  
13 10, sections 1738 and 1738.2, and it is in the best interests of the public to revoke the escrow agent's  
14 license of Respondent Tran's Escrow and to bar Respondent Tran from any position of employment,  
management or control of any escrow agent.

15 WHEREFORE, IT IS PRAYED that the escrow agent's license of Respondent Tran's  
16 Escrow be revoked, and that Respondent Tran be barred from any position of employment,  
17 management or control of any escrow agent.

18 Dated: February 14, 2011  
19 Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

20 By \_\_\_\_\_  
21 Judy L. Hartley  
22 Senior Corporations Counsel  
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